

# Your Guide to NAVIGATING YOUR HOME LOAN PROCESS



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Purchasing a home is one of those steps in life that helps fulfill what we like to refer to as the American dream.

Few things in life give us the feeling of roots, belonging and success like a piece of the world we can call our own. Wrapped up in the hopes and dreams that are inherent in a home purchase, though, is a lot of paperwork.

AgSouth Farm Credit offers three primary types of loans when it comes to homes: purchasing, refinancing or constructing a home. Each may require different documents. We also offer government loans including FHA, USDA, and VA loans.



## PREQUALIFYING, THE FIRST STEP

**Let's start with prequalifying for your home loan. Think of this as your starting point.**

"The first step is to get a person prequalified for a loan," Ball explains. For the prequalification step, the lender will want to see a pay stub and will also pull information on the customer's credit to verify what the credit score is and the debt they are carrying. "That helps us get a true snapshot of a person's income, debt and credit to determine the prequalification amount of what they can afford."

When a person is prequalified, they have a good idea of the price range to stay within when looking for ready-built homes; or for those who are planning to build, they can start interviewing builders.

**Alison Ball** Home Loan Originator  
*Serving Yadenville, Sparta and Wilkesboro Branches*







## **HOMEWORK: EXPAND YOUR KNOWLEDGE BASE**

### **EXPAND YOUR KNOWLEDGE BASE:**

After prequalification and as soon as customers determine the licensed builder they wish to work with, Ball encourages them to get a turnkey, fixed cost contract and to finalize their house plans. “With these items in place they can go ahead and apply for the loan.”

This is the point where a whole gamut of information may be required so it’s helpful to begin gathering documents in advance to be prepared when meeting with your lender for the actual loan application phase. For the entire process, allow 30-45 days from the date of the loan application.

## **WHAT DOCUMENTS WILL I NEED?**

Possible documents needed:

- If you’re building on land you own, the lender will need a copy of the deed.
- Builders risk insurance on construction loans or homeowner’s insurance policy if existing home.
- Details on down payment funding. Savings account? Land as collateral?
- If purchasing the land, it may be possible to wrap it into one loan with the construction portion of the loan, preferably the contract be at least a 45 day contract.
- For refinancing, current homeowner’s insurance and tax bill for property.
- Some lenders request to see 401K or IRA Statements.
- A turnkey, fixed cost contract from a licensed builder in good standing.
- Pay Stubs or a 1099 form, personal/business tax returns, or a YTD profit/loss statement if self employed.
- If divorced, plan to share information on alimony and child support obligations
- House plans and specifications for the home.
- Two recent bank statements
- If you are selling another home, details on that mortgage and information concerning the sale.
- Driver’s License

The key to making the whole process go smoothly is gathering all your paperwork and bringing it in at one time to your loan officer, advises Ball. “Be responsive to any additional requests for information, work closely with your loan officer and stay in touch with them and I think you will find that the process goes really smoothly.”